Modernisation of E.P.F. Scheme

580. SHRI N.K. PREMACHANDRAN: Will the Minister of LABOUR be pleased to state:

(a) whether there is any scheme for modernising Employees Provident Fund Scheme;

(b) if so, the details thereof;

(c) whether there is any proposal to introduce "Indentity Smart Card System" to the members of Provident Fund Organisation; and

(d) if so, the details thereof and advantages of the system?

THE MINISTER OF STATE IN THE MINISTRY OF LABOUR (SHRI MUNI LALL): (a) yes, Sir.

(b) to (d) The modernisation programme involves re-engineering of the existing work process, re-tooling of the accounting systems and setting up of an information technology / computer enabled system through networking of all Offices of EPFO. The modernisation programme envisages providing all services to every member from any EPF location on a real-time basis and to reduce the time between the receipt of a claim to the issue of the cheque to 2-3 days as against the present stipulated time of 30 days.

The modernisation programme also involves development of appropriate application software of supporting the allotment of Nationally Unique Identification Number to the members. The process of registration of members and generation of Nationally Unique Numbers will be done through in-house computer systems. The work of allotment of Smart Card will follow once the exercise of allotment of Nationally Unique Identification Number is complete. This system will enable the subscriber to access his account balance and file his claim from any of the EPF Offices as against the present system which limit him only to one office where he is registered.

Cut in Interest Rate on EPF

581. SHRI C.O. POULOSE: Will the Minister of LABOUR be pleased to state:

(a) whether Government have unilaterally decided to cut the interest rate on EPF for the current financial year;

(b) whether all the trade unions have charged Government for not following the recommendations of the Central Board of Trustees (CBT) allowing 11 per cent of rate of interest on EPF and calling a meeting of CBT; and

(c) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF LABOUR (SHRI MUNI LALL): (a) to (c) The CBT (EPF) in its meeting held on 23.3.2001 had made a recommendation for crediting interest in accounts of the EPF subscribers @10.25% per annum on the monthly running balance for the year 2001-2002. Under item 8 of Schedule II of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 read with paragraph 60(1) of the EPF Scheme, the rate of interest on EPF is required to be determined by the Central Government in consultation with the Central Board of Trustees (Employees Provident Fund). Further as per para 60(4) of the EPF Scheme, in determining the rate of interest, Central Government is required to ensure that there is no overdrawal on the Interest Suspense Account as a result of giving interest to the EPF subscribers. Accordingly the rate of interest was fixed @9.5% per annum for the year 2001-2002.

Irregularities in EPF Organisation

582. SHRI C. RAMACHANDRAIAH: Will the Minister of LABOUR be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned 'Audit finds large PF black hole' published in "The Hindustan Times" New Delhi dated 7th April, 2001;

(b) if so, whether any enquiries have been conducted into serious irregularities, lapses and frauds committed in EPF Organisation in respect of lakhs of employees involving crores of rupees, as alleged in the news-item;

(c) if so, the details and results thereof;

(d) whether any responsibility has been fixed on errant officers and staff of EPF Organisation in this regard; and

(e) if so, the action taken to ensure that such irregularities and lapses do not occur again?